

EXHIBIT 1

INTRODUCTION

Respondent Chino Valley's B.E.S.T. (hereinafter the "Committee") is a county committee, primarily formed to support the passage of Bond Measure Y for the Chino Valley Unified School District in the March 2, 1999 election. At all times relevant to this matter, Respondent Rolland Boceta was the Committee's treasurer.

Under the Political Reform Act (the "Act"),¹ Respondents were required to file a semi-annual campaign statement by August 2, 1999, disclosing campaign activity during the period February 14, 1999 through June 30, 1999.² When Respondents failed to file the statement by the deadline, the County of San Bernardino Registrar of Voters reported the matter to the Enforcement Division of the Fair Political Practices Commission. Following contact by Commission staff in February of 2001, Respondents filed the delinquent statement on March 5, 2001.

For the purposes of this Stipulation, Respondents' violation of the Act is stated as follows:

COUNT 1: Respondents, Chino Valley's B.E.S.T. and Rolland Boceta, failed to timely file a semi-annual campaign statement, for the February 14, 1999 through June 30, 1999 reporting period, by the August 2, 1999 due date, in violation of Section 84200, subdivision (a) of the Government Code.

SUMMARY OF THE LAW

Campaign Reporting

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act therefore establishes a campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (a) defines a "committee" as any person or combination of persons who directly or indirectly receive contributions totaling \$1,000 or more in a calendar year.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, *et seq.* All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

² The July 31 filing deadline set forth in the Act (Sec. 84200, subd. (a)) fell on a Saturday in 1999, thus, under Regulation 18116, the filing deadline was extended to the next regular business day.

Pursuant to Section 84200, subdivision (a), a committee that has qualified as a committee under Section 82013, subdivision (a), is required to file semi-annual campaign statements each year, no later than July 31, disclosing campaign activity during the six month period ending June 30, and no later than January 31, disclosing campaign activity during the six month period ending December 31.

Treasurer Liability

Under Section 84100 and Regulation 18427, subdivision (a), a committee's treasurer has the duty to ensure compliance with all requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. Pursuant to Sections 83116.5 and 91006, the treasurer of a committee may be held jointly and severally liable, along with the committee, for the committee's reporting violations.

SUMMARY OF THE FACTS

After the March 2, 1999 election, Respondents had a duty to file a semi-annual campaign statement by August 2, 1999, for the reporting period February 14, 1999 through June 30, 1999. During this period, Respondents received \$35,775 in contributions and made \$35,174 in expenditures, to support the passage of Bond Measure Y for the Chino Valley Unified School District. The bond measure failed to pass.

On June 6, 1999, Christine Ingold, Deputy Registrar for San Bernardino County, sent a letter to Respondent Committee's treasurer, Respondent Boceta, reminding him that the semi-annual campaign statement was due no later than August 2, 1999. Despite this reminder, Respondents failed to file the statement by the August 2, 1999 due date, in violation of Section 84200, subdivision (a).

After Respondents failed to timely file the statement, Ms. Ingold sent a letter to Respondents on August 24, 1999, advising them that the statement was past due, and must be filed immediately. On December 16, 1999, Ms. Ingold sent another letter to Respondents, stating that the statement still had not been received. Ms. Ingold sent a final letter to Respondents on February 10, 2000, indicating that the matter would be referred to the Fair Political Practices Commission if the statement was not filed by February 22, 2000. As the statement remained delinquent, the matter was thereafter referred to the Enforcement Division of the Fair Political Practices Commission.

On February 14, 2001, Investigator Bill Motmans of the Enforcement Division sent a letter to Respondents, urging that the delinquent semi-annual statement campaign statement be filed. On February 23, 2001, Respondent Boceta called Investigator Motmans in response to the letter, and agreed to file the statement. Respondent Boceta indicated that he would need to go through the records of Respondent Committee to gather the information necessary to file the statement, and stated that he would call Investigator Motmans on February 26, 2001 to provide an update on his progress. On February 26, 2001, as promised, Respondent Boceta called Investigator Motmans, and stated that he contacted Respondent Committee's bank and requested records. On March

5, 2001, Respondents filed the semi-annual campaign statement that was due on August 2, 1999.

CONCLUSION

This matter consists of one count of violating Section 84200, subdivision (a), which carries a maximum administrative penalty of Two Thousand Dollars (\$2,000). The administrative penalty for failing to file a post-election, semi-annual campaign statement typically ranges from Five Hundred to One Thousand Five Hundred Dollars (\$500 to \$1,500). Although the measure supported by Respondents was unsuccessful, and the statement was due to be filed after the election had taken place, Respondents' failure to file the semi-annual campaign statement concealed a significant number of contributions and expenditures, and was not filed until nineteen months after it was due.

In response to this matter, the current treasurer of the Committee, Harold Nelms, in an effort to ensure future compliance with the Act, has created an informational memo for the Committee members that includes the toll-free number for the Fair Political Practices Commission. Additionally, the Committee will provide individuals interested in assuming the responsibilities of Committee treasurer with information regarding the duties and liability of the treasurer position.

Accordingly, the facts of this case justify imposition of the agreed upon penalty of One Thousand Dollars (\$1,000).